

**Testimony of GDF SUEZ Energy North America in Opposition to Raised H.B. No. 5118
An Act Concerning the Reclassification of Trash-to-Energy Facilities as a Class I Renewable Energy
Sources**

IPR-GDF SUEZ North America (IPR-GDF SUEZ NA) is the owner of FirstLight Power Resources, Inc. (FirstLight), which owns or operates approximately 1,500 MWs of generating capacity in New England. Its New England generation fleet consists mostly of hydro-electric facilities and it is the largest owner of hydro-electric generation in Connecticut.

IPR-GDF SUEZ NA appreciates the opportunity to express its opposition for House Bill 5118, which would expand the definition of what qualifies as a Connecticut Class I renewable resource to include energy derived from trash-to-energy facilities. Our company is quite familiar with the Connecticut Class I market as it currently owns and operates two small hydro units in the State that are classified as Class I resources - Tunnel located on the Quinebaug River in Preston and Taftville on the Shetucket River in Norwich. Both qualify because they began operation after July 1, 2003 and are at or under 5 megawatt (MW) run-of-river facilities, meaning that the units' turbines are rotated by naturally flowing water.

The Connecticut Class I RPS was established in large part to provide an economic incentive to those developing new, particularly clean sources of electricity. Current qualifying sources include solar power, wind power, fuel cells, and, as mentioned above, certain types of hydropower, all of which result in no, or extremely low, emission of greenhouse gases. Expanding the definition would put the State down a path divergent from these goals.

For instance, in contrast to run-of-river hydro facilities, the energy ultimately derived from certain trash-to-energy plants can actually be traced back to fuels which most would not consider "renewable." In some cases, the process to burn trash involves machinery that is operated by natural gas or oil. Therefore, this legislation, if approved, would technically be awarding renewable energy credits to a fossil fuel-based source.

Also, raised Bill No. 5118, as written, attempts to qualify only those trash-to-energy facilities located in Connecticut as Class I Resources. Such wording may be legally difficult to implement as Connecticut's current RPS laws, as well as those in other States, tend to establish eligibility based upon fuel source, not geography.

With that in mind, when making changes to RPS laws, it is critical to always determine a reasonable estimate of how many facilities in the region ultimately may qualify for the program and how this would impact the current price. An abundance of resources could detrimentally impact the price and thus discourage renewable energy developers from building new projects.

Finally, the Committee should be aware that the Department of Energy and Environmental Protection (DEEP), in conjunction with *The Brattle Group*, recently completed a Draft Integrated Resource Plan (IRP), which included a significant portion dedicated to the State's RPS. The IRP's short term policy recommendation was that Connecticut reform its RPS requirements to expand energy efficiency so it can compete for up to a quarter of the State's Class I requirements. This strategy, asserted the authors, "can achieve even more ambitious environmental goals, with lower costs and rates and more in-state jobs for Connecticut." No mention was made of qualifying additional trash-to-energy facilities as part of the strategy.

IPR-GDF SUEZ NA urges the Committee to oppose Raised Bill No. 5188 so that the Class I REC market remains competitively priced and reserved for only the most environmentally friendly renewable energy sources.

Thank you.

Submitted by:

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